

Budget Hearing
Planning & Economic Development
Audit & Control
Monday, October 1, 2018, 2:15 p.m.
Room 331 & 333
Gerace Office Building, Mayville, New York

Members Present: PED:, Odell, Chagnon, O'Connell (Absent: Himelein, Starks)
A&C: Gould, Nazzaro, Niebel (Absent: Muldowney)

Others: Tampio, Dennison. McCord, E. Reynolds, J. Hansen; Geise, Borrello, Hemmer

Chairman Odell called the budget hearing to order at 2:40 p.m.

Chairman Odell: Kathleen, could you give us an overview please?

Mrs. Dennison: Let me first just walk through the materials that you have been provided. The first part of your binder would be the tentative budget and this is the document that is posted on the internet so this entire document is available to the public. The most important document portion of it for our purposes would be the operating budget, the first tab. Behind that tab shows us how all of the different funds roll up into the property tax level. Also includes the full valuation for County property taxes and the full value rate. There is also in this section a detailed, for each department by classification. It's in order by organization number. We're only going to be looking at organization number 37 this afternoon. So that is pretty easy. But in general we're going to skip over the tentative budget and go to the detailed section behind so you'll find all of your information behind tab number 37.

In each section we have a budget summary and the line item detail. So the summary will show us the change in local share for all of the departments within the organization, in the Planning and Economic Development organization. There is a tab for the personnel within the organization and changes in personnel. There is also a tab for each individual department which again, summarizes the budget by classification level. Includes commentary for changes from last year, adopted budget, to the current year adopted budget but the commentary may also pertain changes to 17' actually or 18' amended budget or the 18' projections. 18' projections are provided by the department themselves. Their projection of actual result for 2018.

Behind the hot pink sheet, you will see the line item detail so in general we've been having the departments walk through each of their summary pages, highlight the commentary and then refer to a line item detail if you have specific questions.

You also have in your binder, you have the 12 month rolling actual results versus budget. This document should be in the front pocket. It gives you 12 months of actual. This would be the 12 months from July of 17' through June of 18' and those 12 months of actual versus the 18' budget and the proposed 19' budget. There is also the summary of results, the five year plan, 2019 to 2023. So projections for results, appropriations, revenues as well as fund balance, going out five years. Those are all the documents that you have in front of you.

Just a couple of overall comments on the budget itself. There is no increase in tax rate for the County. Some of this information obviously was presented at the presentation by the County Executive, but no increase in tax rate. No use of general fund balance, significant investment in

capital improvements and also no increase in unfunded positions. So there is (*inaudible*) Countywide, an increase in the number of positions but all of those funded by outside sources. The budget is based on the personnel costs, they are based on the base pay, it includes increases for Step increases and for settled contracts. So 1½ % increase in wages and base wages for the Sheriff's union and the Lieutenant's union, there is no base pay increase for the contracts that are not settled. So for the Unit 6300 of which most employees in this organization would be, there is no increase in base wages. There is however built in a 3% increase for managers. Health Insurance, there is only a small rate increase this year, 1.86% over 2018 and we also have a benefit because many of the staff members have migrated to the high deductible health insurance plan and in most cases, assuming that the people that are on that plan, currently are going to stay on that plan and new hire's would be on high deductible plan. So because of that change, the change in plan selection and the low increase in rates, we are, Countywide, actually experiencing a \$700,000 decrease in health insurance costs across the three operating funds.

The last overview comment is, we have made an accounting change as it applies to occupancy costs as well as the CSEA Union President and NYSAC dues. Those costs currently, in 2018, are allocated out to departments but next year they will not be. They will stay with their, what we consider, home departments. It doesn't have a big effect on the organization that we're going to talk about this afternoon because in general that group pays its own rent but that is an accounting change overall so a lot of the other departments you'll see a change, a decrease in the contractual expense and an increase in other departments such as Buildings & Grounds. Buildings & Grounds are absorbing the occupancy costs from all of the other (*inaudible*) departments. But I do have the figures on that accounting change if you want to look at how that change effects individual departments within the budget. That is the overview.

Chairman Odell: Thank you very much for that cycle overview Kathleen. Any questions from the Committee on that? Audit and Control? O.k.. Today we are dealing with the PED budget. Mr. McCord, when you are ready.

Planning & Development:

County Executive Borrello: Legislator O'Connell, welcome to your first budget.

Mr. Giese : Thank you Mr. Chairman and everyone else, I just want to start out by kind of setting the stage for what we're going to see in the budget today. A lot of this reflects a pledge that the County Executive made about boosting economic development and planning. Obviously we know that economic development and planning in a sense drive the economy, right? Between creating jobs and increasing the tax base and more and more now improving the quality of life. We're seeing a population decline and a lot of that has to do with young people having choices about where they want to live. It's important for us to really work with our communities more to help them to improve their main streets, make them more walk-able, make them more live-able and that will help us, obviously help the businesses as well by having these young people to employ. One of the things that we have done and as you recall, the Charter was revised in the first part of the year, I'll say January/February timeline and that was to reel in the resources in the departments and this budget reflects that realignment. Where you have an Economic Development division and you have a Planning and Community Development division. Before they were kind of comingled. They actually were divisions but there was – Don was basically

being paid for both Economic Development and Planning, and then there was Rose, Planning Technician was paid through Planning & Economic Development as well and kind of what we're doing is, we have this Economic Development division and we have Planning & Community Development division, all under the umbrella of the Department of Planning and Development. Economic Development which will have one full time employee will really be concentrating on implementing and administering the economic development strategy and forming the alliance and doing all that is necessary to hold meetings and agendas, and minutes, and coordinating, and also administering the contracts that come through Economic Development. Planning & Community Development will work with communities. Do as much outreach as they can in communities. Really, I use the term, smart growth, because it's all about making our communities more livable and then they'll continue to do their 239 review, capital projects, Planning Board, and all the contracts, ninety some contracts that they administer. Again, the resource is to implement and administer the Economic Development strategy. There is one FTE in Economic Development and Planning & Development will get a boost of 1 ½ FTE's up to 5.5 from 4. This is below the target that was established for our department, the cost us below the target as established by the County Executive and we're still 1 ½ FTE's short of where we were in 2010. Will be, department wide of 7 ½ FTE's whereas in 2010 we have about that. We were at 9 FTE's. This really starts to reverse decades of cut backs in the department in a very crucial department. This will allow us to be more proactive versus reactive where we kind of wait for things to happen as opposed to saying, this is where we want to be. We want to establish really Phase II of the Economic Development strategy. We can talk more about that but Phase I is really looking at the resources that we currently have, looking for gaps and aligning those resources in order to create this alliance and Phase II is really looking at core industries. Targeted industries that we should be going after as opposed to waiting for the phone to ring. So this will allow us to really chase after those companies and those industry sectors. Overall the Economic Development Division, its .4 decreased by \$4,000. Planning & Community Development, the .4 has increased by about \$20,000. More to say but finally on this little talking point sheet, Planning & Community Development and IDA are looking to opening an office in Westfield so we have more outreach throughout the community. The idea of planning an office where there is need, right into the community where things are happening and where things have happened. So, I wanted to give you a heads up about that as well. So, in a nutshell that is what you are going to see in our budget today. Maybe you guys want to add to that.

Mr. McCord: No, it's just that the big thing for us on Planning & Community Development side is, we are looking at our local communities and their capacity and how that has been challenged over the past 10 years in particular. Things were different than they were 10 years ago with some of the tax challenges that our local communities have had. They've done a good job of staying underneath the 2% tax cap. That's also, sometimes reduce capacity to implement grants and do other important things on their main street. We think that we can do that technical resource, not to do all the work for them, but to be that resource that helps them get over the (*inaudible*)

County Executive Borrello: I would just say in general, first of all, I am really happy that they were able to do all of this and coming below the target we gave them because the target was, based on us being able to deliver a balanced budget, so hats off to you guys. I would also like to mention, I've been talking about getting extra resources, I spoke with both Mark and Don

and they both actually forego any pay increase for themselves to the 2019 budget, to help kick in a few pennies extra to our effort here to try and kind of redouble our efforts on economic development. I think we all know that whether we like to admit it or not, there is no economic development strategy in Chautauqua County. That is why we went on this effort to hire Camoin & Associates to help us pull together not only the Economic Development Alliance but a true proactive economic development strategy. What we have done in the past has been reactive but in a good way, reactive because we just did the survey with Camoin & Associates, they went and surveyed a bunch of stakeholders throughout the County. Elected officials, Foundation heads, our other not-for-profit so on and so forth, economic development agencies and so I looked over the results of the survey. They asked several questions and what the good news is, is that one of the things we scored highest on is the perception by those folks involved in economic development is that, Chautauqua County is business friendly. Where we scored the lowest was, how well prepared we are to actually develop new business and have places that are advanced technology friendly, things like that. So what that says is that, what we have done in the past to – when someone comes to us and says, we want to do something here, we want to expand our business, we want to bring our business here, we’ve been excellent at providing a business friendly environment and the incentives through the IDA to make that happen. But what we haven’t had is a structure that says, here is our strategy and here is why you should come here. And here are the things that we need to do to develop our communities better so that people want to live here, so our kids don’t want to move away, so people want to locate their business and their families here. Those are the things that we fall short on and the survey results show that. So this is our opportunity now. As we started off by realigning our resource at the beginning of this year and bringing Mark back on this role, redefining Don’s role, those are all leading up to, and now what do we do to develop a true cohesive Countywide economic development strategy. Along the way, we’ve had some good success to report in how we have assisted others, other communities. We’ve also had some stories to tell about when communities kind of went out on their own without the proper resources, without the proper knowledge, and without the property capabilities to try and do their own large scale economic development and unfortunately, too often, failure followed. We are the only Countywide entity that can really pull everyone together and say, when we have something come to town, like the freezer project in Dunkirk, that languished for two years and had the developer come out and throw his hands up and say, I’m out of here, I can’t deal with this anymore. We have the resources to say right from the beginning, this is the best spot to put this and here is all the available resources, and here are all the best developers, and here is all the ways that we can approach this, we have to be that. You can make the argument to say hey, look it, we just got to let the municipalities do what they want on their own but that negatively impacts us. The loss of that freezer project meant a brownfield that we have been sitting on for 20 years, that would have continued to be a brownfield, is now being developed. The jobs that have been created but most importantly, the stability for one of our largest employers in the County, Fieldbrook Foods who have maxed out on their capacity and could not bring new products to Chautauqua County because they were incapable of being able to do that without having freezer storage close by. Helping develop the health and continued health of our businesses here in Chautauqua County, as I said, is my first priority. We can’t do that without the resources and that is what this, this, I think still frugal budget brings to the table, is our ability to truly be the leader in economic development and a true cohesive strategy throughout the County and this budget collimates that for next year. That’s my intro.

Chairman Odell: Any questions so far? Don, you want to dive into the detail then?

Mr. McCord: You see on the first sheet the overall appropriations department wide are down 4.1% and the local share has a reduction of 8.9%. Our revenues are up in a few categories. There is an anticipated increase in the bed tax revenue due to the number of new hotels that are coming on line and the Comedy Center opening up. So, under the revenue, those particular lines, the tourism portion, administration, you will see have increased approximately 7.1% in revenues.

Mr. Giese: If I could add too that you will see a big shift, again, I talked about it earlier, about economic development and aligning resources, moving people. My position was paid originally through Economic Development and now it's in the County Executive's office. And Don, half his salary was coming out of Economic Development and Planning and now it's all over in Planning. There is half a Rose and is now – he has one in Planning, but then we're going to hire somebody as a Resource Assistant in Economic Development. So there is like this shifting around and aligning. That is really what that percent change in appropriations reflects in Planning & Community Economic Development.

Mr. McCord: Are there any specific questions on the summary page? If not, we'll move to the second page which is the FTE's. You will see that it goes from 6 to 6.49. In fairness, apples to apples. We used to have Mark in our budget so if we are looking at the 18' adopted to now, we'd really be 7.49 from the 6. The FTE increase is 1.5 or 1.49. It is a position that is slightly below half time. Keeping it at .49 helps us with the benefit cost (*inaudible*) in our budget.

Then we're into the 6420, which is the Economic Development side. You will see the personnel costs decreased significantly. Both from the adopted and the amended budget. That represents one position which is a Grade 12, starting at a Step 1.

County Executive Borrello: That's moving Mark over to the County Executive so make sure you bookmark that page for tomorrow.

Mr. McCord: Just for some clarification also, when we did our targets, the County Executive gave us a target which - without making those adjustments for Mark's position so it would have been very generous and nice to have however, in fairness, we had made a couple of adjustment that we're shifted to the County Executive's budget so when we looked at our target, when we tell you that we are under target, we have adjusted that target number by both the Directors salary and benefit cost from last year, subtracting that out. What Kevin Sanvidge was in at which was fund through the Executive's and also we subtracted out the twenty four, so after taking those numbers off of the target originally given to us, we're still (*inaudible*).

County Executive Borrello: Did we explain the twenty four?

Mr. McCord: Not yet. You will see that there is a decrease in the .4's here, 4310. That is largely due to shifts in cost. In cost centers we looked at the two departments and we're now going to have a department basically two people and a department with 5 ½ people. So it was a need to allocate costs slightly differently.

Mr. Giese: Because they were kind of comingled before.

Mr. McCord: They were comingled. If we needed another (*inaudible*) paper, we would charge 6420 or 8020. It's a historical thing. Many years ago, 2004, there actually was a Planning Department and Economic Development Department. That is where you get 8020 and 6420, even though they were brought together we've always had these (*inaudible*).

Then there is a revenue down below of 21,600 and there is a division here. You will see a similar revenue over on the Planning side of the equation. Currently we manage 90 contracts, 92 to be exact. Of the 92 contracts, approximately 80 of those are related to the occupancy tax. Whether it's 3% or a tourism issue, a large number, 58 of these contracts are related to the watershed (*inaudible*). We've actually, not intending for this position but, I wanted to know as a Manager how things were progressing so I asked our secretary Rosy to do a time study back in February and March just to see how she allocated her time because that is a standard business (*inaudible*) perspective. Looking at that time study, her hours were 27 ½ hour employee, she was spending 40% of her time on contracts and invoices. We looked at that and said, from an administrative perspective we never have received funding for our staffing to take care of these occupancy tax related items. So we asked to have some money put into the budget because it is (*inaudible*) State legislation for us to have, as a County, up to 10% of the cost or our revenues for that type of cost.

Mr. Giese: So that is to fund the Account Clerk.

Mr. McCord: Yes, even though there was in that one page in the budget back where it shows occupancy tax summary that's (*inaudible*). Just for clarification as to where that revenue comes from. It's kind of a long story but that explains when we get further (*cross talk*)...

County Executive Borrello: That's a proper civil service?

Mr. Giese: Exactly.

Mrs. Dennison: Don, (*inaudible*) the occupancy tax is spending on a Resource Assistant?

Mr. McCord: Is going to fund a little bit of both, Resource Assistant and the Account Clerk, part time positions.

Chairman Odell: Which is a new dynamic.

County Executive Borrello: Which will be funded through the bed tax. The reason these numbers were chosen, the 21,600 and 14,400, does seem odd but overall, we had an overall number that we needed and it's just (*inaudible*) five percent.

Mr. Giese: Especially with the watershed too. A lot of those contracts take longer than a year so it's not like you finish the ones from last year and then they are done. A lot of them take longer than that. So you have more than just this years.

Mr. McCord: Any questions on this page? The next page is 6420.COMC. That is where a wide variety of programs. We are reducing the one program by \$44,000 and that reduction comes in two forms. There was a contract for – last two budget years we’ve had a line item for \$145,692 for the IDA for business and promotion. That originally used to be \$125,000. Two years ago we asked for you to raise it to \$145,000 so we can go pursue a craft beverage strategy as a grant match. We told you that when we did that that if we didn’t get that grant that we would give it back. That year we gave it back. It just went back to the reserve, the general fund. The following year you were going to use that for an economic development strategy and that is what’s paying in part at least, it pays one of the economic development strategy this year. We did not have specific project earmarked for that in 19’, so we felt that that was a good piece of local share that we could use without increasing our budget. So we shifted that over towards these new positions and paying for the new positions so we could remain budget neutral as possible. The other \$24,000 which shifted into the County Executive’s budget to (*inaudible*) some costs for total shift of \$44,000 out of that line.

Mr. Giese: So that was money that was going to the IDA, because now we’re going to go to the County Executive’s office.

County Executive Borrello: So essentially – previously this position was covered mostly and still is by the County, not the IDA. Because we are reducing the amount of money we’re giving to the IDA, essentially the IDA is going to be subsidizing this position a little bit more than they were in the past which was something that we asked for and they were very cooperative with which was fantastic.

Chairman Odell: Several Months ago, right?

County Executive Borrello: Yes.

Mr. McCord: Does anybody, Jay in particular, I know the budget never does this for you but (*cross talk*)...

Legislator Gould: Why are you looking at me?

Mr. McCord: Historically because the budget bunches these, if anybody wants, I can give them a breakdown on any one of the lines for a specific group.

Mr. Giese: Community contracts.

Legislator Gould: I’m pretty familiar with most of them. I noticed there are two and just kind of curious why one is getting \$90,000 more?

Mr. Giese: Oh yeah, that is the occupancy.

Mr. McCord: That is under the occupancy but we’ll explain that when we come to it.

Mr. Giese: The other thing that I want to point out is the IDA, there is a \$59,000 allocation and \$22,000 of that passes through to the Small Business Development Center. Just so you are aware of that.

Mr. McCord: The following page you'll get into Planning. Because of a combination of things, personnel shifts and some of these personnel shifts have been offset by the way we look at what we're going to do. We have had no luck with recruiting a Senior Planner which is a Grade 23 position. So we have been attempting to recruit a Junior Planner which is a Grade 20. A few people that have qualified for that, unfortunately makes it a bit of a wash. We'd hoped we would save some money there but some of the folks have a family health policy which costs more so we kind of just come out even in the end because our previous Senior Planner had a single policy in our 18' budget. The Planning Technician is only a Grade 15. It's another way to save costs and the Account Clerk is a Grade 6. The previous clerical position which is a Senior Clerical position which we'd always hoped would serve some of this role in a technical capacity, was a Grade 13 and (*inaudible*) benefit costs high so (*cross talk*).. We looked at all of the overall costs of employees and how we could structure this with different civil service positions and still accomplish the needs of the communities and the needs of the department and come out as close as we could minimizing these budget impacts. But, you will see because of – it's hard even myself if I was (*inaudible*) you will see what appears to be a fairly large shift, that's \$77,986, even the amended budget for 18', the one sixty five, does not include my half of my salary which would have been approximately eight forty in there. So, that gives you some idea of how the shifts are occurring. It's not that there is a new Director, it's just all of the Directors over here in this position now.

Chairman Odell: Instead of being split.

Mr. McCord: Which also effects our –

Mr. Giese: The bottom line, that 1.5 FTE's extra, one is a Resource Assistant, one FTE and the .5 is an Account Clerk. So we're not adding those kind of high level positions if you will, kind of having the low grade positions.

Mr. McCord: And we were able to – we've entered into an agreement of services, is tentative at this moment, to generate a little bit of revenue. All of you this month saw the food policy resolution that came through. That will generate \$15,000 to help offset some of the costs as well as the money I just described before the occupancy tax.

The lake gage is the next gage. I want to explain a small accounting change there. The lake gage did not go up by \$1,960 overall. It did go up 3% but, we have always in the past, written in the County's portion and then billed out to the South & Center for the Chadakoin flow gage. Not having the full amount in our budget sometimes is the cause of a little bit of an accounting issue because folks sometimes forget to do the bill out and then you get to year end and your off some money. So, this is just really representing largely the County change where we will have the full amount. We will still bill out to the South & Center and that is where the revenue amount of \$1,760 comes in down below.

The next page is the 6420, tourism. As I stated earlier, this is largely just reflective of the anticipated increase in bed tax revenue. So it will just be a wash at this point.

The following page is the watershed administration and that is the same thing. The revenues projected are increased this year. That is why you also see an increase in the appropriations but really we're anticipating the money in and money out.

The five ninety seven in local share that you see the change. It looks like we're increasing \$597, that's almost like an accounting thing also. The (*inaudible*) shift in budgets. We did our budget in 2018, July 31st, there were some minor accounting changes that put us \$597 below what we had last year so all of a sudden this year it makes us look like we have a \$597 increase in local share.

County Executive Borrello: The reallocation, do we want to talk about that?

Mr. McCord: We can but we would have go specifically into the, if you want to have a discussion, which aren't part of these sheets but are part of the overall budget, how the occupancy tax is broken up.

County Executive Borrello: This addresses your question Jay, I think.

Legislator Gould: I have another one for Don and the projects. This paper you gave us, I didn't see any ag districts.

Mr. McCord: I know.

Legislator Gould: How come?

Mr. McCord: Jay, I mean, listen, I'm really excited that Emily is sitting back here in the front row, Emily and I have talked about this a lot. Emily made me aware that the agricultural community wants this and that Planning Technician, that is front and center on their list.

Legislator Gould: Good.

Mr. McCord: But at the moment, as I still look for a secretary so I'm payroll clerk, accountant, and director and planner, I haven't managed to get to those. But I'm hopeful and that's my goal in 19'. That is one of the highlights.

County Executive Borrello: You have one more question, you said Jay?

Legislator Gould: No, that was it.

County Executive Borrello: Alright. One thing that I want to point out is that in previous years out of the bed tax we have allocated money directly to the CLA, the Chautauqua Lake Association, for the purpose of them cutting the weeds. Now, I have actually moved this to go directly to the Alliance and it's up to the Alliance to determine how that is going to be used. I would imagine since that's a very prudent way to use it that they would continue to do that and to pass that along to the CLA for that purpose but ultimately, we've seen a shift in the foundations in Jamestown. They are sending their money to the Alliance so that those folks there can determine the best strategy to utilize that money. In the north end of the County, we don't

give money directly to anyone to any private foundation. It goes to the Lake Erie Management Commission which is a County Commission. So it makes the most sense, the most logic, instead of giving that money directly to CLA and I will also say, just as we do in the north County, be able to now be able to get proper accounting for how that money was used because we can ask the Alliance to give us that answer. I think we've kind of gotten that spotty here there, here's what happened with the money, but, we can hold the Alliance much more accountable for giving us an exact report on where the money was used and how. So we have a better, really a better result to give to our taxpayers when they ask us how that money was used. So, I think this is a prudent move to have the money go through the Alliance and then we can in turn have a better accounting for how that money is spent.

Mr. Giese: So what happened here is you have a reduction in the item that was labeled maintenance of waterways, harvesting, and shoreline cleanup. That was \$129,500. That \$90,000 was removed from there so now it's \$39,500 and \$90,000 was added to the Chautauqua Lake and Watershed Management Alliance budget. It went from \$150,000 to \$240,000.

Legislator Gould: That was a question that I had.

County Executive Borrello: So that is where that is. I think that is a prudent way to allocate their funds.

Legislator Gould: Time will tell.

Chairman Odell: Just for clarification. How many organizations belong to the Watershed Management Alliance currently?

County Executive Borrello: Twenty. *(cross talk)*...

Chairman Odell: Are you going to go through these and explain the changes?

Mr. McCord: We can and in the 3% also. I was going to say, that really makes up the biggest 2% change overall.

Legislator Chagnon: Well on the 2%, there is a slight increase in the Watershed Coordinator's salary. The Planning Technician under Planning administration is a new allocation.

Mr. McCord: I would like everyone to strike that and maybe say contract administration something much like –

Mr. Giese: Or Account Clerk or something.

Mrs. Dennison: I think we need to direct the other ones to the page that the two of you are looking at. Not everyone is there. It's back in the tentative budget section, under the operating tab, it's the last *(inaudible)* operating budget.

County Executive Borrello: Pierre is doing a good job of explaining all the changes.

Legislator Chagnon: Should I keep going? So then, under enhancements and protection, the amount that is available for outside contracts, these are for watershed projects, is increased by \$21,000 up to \$240 and then something new is a reserve for off cycle projects of \$28,493. You might want to talk about why that's being done.

Mr. McCord: I think that's – well, we look at these budgets when we look at them, we look at them as 3% and 2% and if you remember the 3% in particular, we had an effort a few years ago where we liked to have a few dollars set aside to build the reserve for those larger projects that might come up off cycle, outside the regular grant process. So when we did this and we were having those discussions, we treated the 2% just like we did the 3%. Now that may not have been quite as prudent with the 2% because there is a larger reserve sitting there today. On the other hand, I'm sure that there are enough watershed folks who might have ideas on how to spend every bit of the reserve, with different viewpoints, but that is why there was a 28 and the overall increase in the project funding really was a result of how we look at this when we have an increase anticipated in the bed tax revenue. There are certain items along here that you will see that are kind of locked numbers, like the ninety or the money from Findley Lake is five, and three and one and how I always operate this budget is, all the things that are locked, stay that way unless I'm told otherwise by policy makers and then that project fund is the thing that fluctuates up and down based upon what's left over.

Mr. Giese: There is always a greater demand than there is funding.

Legislator Chagnon: There are more projects submitted than there is funding for.

Mr. Giese: So it makes sense to put as much money in there as possible.

County Executive Borrello: Yeah, the 2% is really, it's sad how many great projects just don't go. What did we get to five or six and usually we have 20 or more.

Legislator Chagnon: That is what makes me uncomfortable about now setting up a reserve. I know that we could have put that money into more projects.

County Executive Borrello: Well, at the same time there was – it's kind of a double-edge sword. We can also have this money now when somebody does come up and we don't have the money for.

Legislator Chagnon: But the 2% fund has a very substantial fund balance.

Mr. McCord: That would be simple enough. That was really more of an oversight on our part Pierre because we were treating them the same. I don't think that would be a huge issue to shift that over.

Legislator Chagnon: Move that back to outside contracts for additional projects.

County Executive Borrello: Yeah.

Mr. McCord: I know that Dave McCoy will not fight you on this.

Legislator Chagnon: It's putting the money to work (*cross talk*).

Chairman Odell: Right. What did we just have, right before winter, or before spring, the project in Bemus Creek. There is a shining example of off cycle project that came to us to leverage some significant dollars to get the project done in a very timely manner. It saved some devastation.

Mr. McCord: Down the road we might go back to this if we use up the reserve. At the moment we have a healthy reserve. On the 3%.

Mrs. Dennison: I'm sorry, could I just interject. The reserve is actually I would say is a misnomer. That money is not in the reserve. It's in the operating budget. It just meant that it was not designated for a specific project. So, if you look in account 5080.Watershed.4590, other contractors, the total budget is \$268,493 which is the total of outside contracts and quote/unquote, reserve, for off cycle projects.

Mr. McCord: That's still part of our –

Mrs. Dennison: Still part - it's set aside for projects that are not specifically identified into this exhibit.

Legislator Chagnon: So it is not a reserve then.

Mr. McCord: My misunderstanding. (*cross talk*).

Mrs. Dennison: Maybe you could say, other off cycle projects.

Legislator Chagnon: Undesignated but available for projects.

Mrs. Dennison: Yes.

Legislator Chagnon: Perfect, we don't need any change to the budget then. The budget will stay the same, this sheet, the occupancy tax money, the reserve for off cycle needs to be – that wording needs to be changed to undesignated. Onto 3%.

Mr. McCord: Mark, do you want to cover this?

Legislator Chagnon: Do you want me to cover it?

(*Cross talk*)

Mr. McCord: There is a specific line that Mark I know would like to address.

Mrs. Dennison: It sort of was the same subject that we had again for reserve, reserve for off cycle projects and it's not in the reserve. Undesignated.

Mr. Giese: Pierre, go ahead, you sound like you want to do it.

Legislator Chagnon: I took the time to compare to last year so, the CCVB main marketing, publicity contract, has increased by \$1,180, very small amount. Then for the County of Chautauqua Industrial Development Agency, they are getting an additional \$25,000 and that's where we might want to explain that.

Mr. Giese: Sure. So George has really tasked us with a number of marketing efforts that are needed and have not been done in the past and those include creating a website for the County, JOBS Chautauqua website, a promotional video, a recruitment guide for employers to be able to recruit young people and tells the story about the quality of life here. We're also working on a brownfield strategy and also Phase II of the economic development strategy will include this targeting of certain industries and being able to have the promotional marketing materials we need to proactively go after those industries. So there is a lot more marketing initiatives on our plate and that's really what that is all about. Plus, we have Phase II of the economic development strategy that we have to pay for. Did you want to add anything?

County Executive Borrello: I would just say that first of all, we know that tourism is a major component of our economy but also in order for us to sustain that industry, we need to have a constant inflow of new people and that is one of the challenges particularly in the hospitality industry. One of the biggest challenges in the hospitality industry is being able to recruit people, especially management and having this money available to develop this recruiting package which will be for all businesses, when I went around and did my visits and as I continue to do the business visits, that is a huge challenge for people. They can put together a great package of incentives to offer somebody, particular a management person and then all of a sudden they get their family involved and the family – what does everybody do now if you want to find out something, you Google it. And when you Google Jamestown or Dunkirk, Chautauqua County, good things typically don't come up unfortunately and that is where we lose the people. So we want to put together a recruiting package as part of this marketing strategy specifically focused on the quality of life here in Chautauqua County. The affordability of housing, the schools, everything else that people want to know that have left their own accord to find out there is a good chance that we're not going to get a good result. So we want to control the narrative and part of that is putting together a strategy around that, that encompasses all industries including our important tourism industry.

Legislator Chagnon: The next line down from that, County of Chautauqua, Division of Economic Development is the allocation from bed tax to the Parks Department that we talked about earlier, the \$21,600. The next one down, Parks and Trails, Chautauqua County Department of Public Facilities is increased by \$19,500. From last year some more money for the Parks and Trails, the rest of those stay the same until we get down to the last box, Development Attraction and Events. The North County Shoreline Event fund is increased by \$8,000.

Mr. Giese: Five thousand dollars, right? Oh yeah, no, it's increased by – so it was twelve and now it's twenty.

Legislator Chagnon: Right.

County Executive Borrello: Maybe you would want to talk a little bit more about that but, basically we have had special allocations the last several years and there coming out of the reserves. Now we're anticipating that we're going to have things like the boat race and other things coming up in the north end of the County. This will be a way for us to allocate those specifically for those events so we're not necessarily dipping into the reserves to fund these events on a regular basis.

Chairman Odell: (*Cross talk*), special request at the last minute to the Committee.

County Executive Borrello: Yes and versus doing a specific allocation for say the boat race. This opens is up to the entire lake shore to compete for that money. But specifically focus on things that enhance the northern end of the County's tourism business.

Legislator Chagnon: O.k., and then the next one, other projects within application cycle so these are the other tourism projects that are increased by \$4,474 up to \$45,000. Then on the next line is the undesignated which is something new so that is potentially available for other project.

County Executive Borrello: And again, they have all increased because of the fact that we're anticipating a larger bed tax revenue for 2019 based on all the new hotel rooms that are coming on line, have come on line, so that is where this general increase has come from for all these lint items.

Mr. Giese: That is why those little percentages are below that. Seventeen percent of what we believe the allocation is going to be or the revenue is going to be.

County Executive Borrello: I think that we've tried to be conservative in our estimate as to how much that is going to grow when we sat down and talked about that. We started off with just a flat and then we moved it up a little bit so I think we're being conservative. Any questions?

Legislator Chagnon: Don, there is one thing that you did not refer to and that is in your Planning, you have additional revenue of \$15,000 in relation to a Chautauqua County Health Network grant.

Mr. McCord: I did mention that revenue when I mentioned the food policy. The Food Policy Council is an initiative through the Chautauqua County Health Network and that will generate \$15,000 worth of revenues.

Chairman Odell: Anything else to present on your side Don?

Mr. McCord: I guess I would say with the Food Policy because it was a concern of mine, they have assured us that this is a three year cycle grant so the funding will be there for more than just 2017.

Chairman Odell: Very good. Any other questions from the Committee at this point? Anything from Audit & Control? Very good. As my predecessor, as I've say before, it's good to have you here. This is a \$2 or \$3 million dollar budget but the impact of what it does is much, much more measurable. As you look through a lot of the things here, I like what I am seeing as far right sizing and realignment. The studies are being conducted, as I have stated before, you can't quantify what's not measured and you get that basis in front of you, that's proof you need to move forward. Often asked by a lot of colleagues out there, what does the Planning Department do? What don't they do? Beating the drum for you guys but one of the greatest ones is the unsung work that you are not lobbying for is a lot of the technical assistance to the municipalities. We don't bill for that service but I know that your phone is ringing all the time. I know in District 7, we're missing Pat Gooch and a lot of the resource he had but I know that you have been bending over backwards for them and really appreciate everything that you do. So, thank you very much. Anything else that the Committee would like to discuss?

Legislator Chagnon: I would just like to state that I am not in favor of not moving the bed tax money out of bed tax to support these two departments but I recognize that if we don't do that, that is going to cause a tax rate increase and so before I take a position on that, I'm going to be diligently looking for somewhere else in the budget to find savings of \$36,000 so that we don't have to increase taxes.

Chairman Odell: I would agree with that particularly on the 2% side. We know that we can – especially Soil & Water and other organizations can take that dollar and turn into \$5 or \$10 instantly and it does leave a potential for losing some leverage. Mr. Vice Chairman, I agree.

Legislator Chagnon: I would must rather see the occupancy tax go for occupancy related projects if we can find the money somewhere else the budget to replace it.

County Executive Borrello: We appreciate the help.

Chairman Odell: As I say, it's philosophical, George. That's what it comes down to. Anything else from the Committee? Any additional recommendations? Seeing none, we'll entertain a motion to adjourn

Legislator Chagnon: So moved.

Legislator O'Connell: Second.

Unanimously Carried (3:41 p.m.)

Respectfully submitted and transcribed,
Kathy K. Tampio, Clerk/Lori J. Foster, Deputy Clerk/Secretary to the Legislature